



A PHI Company

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April 30, 2015

FILED VIA DELAFILE

Ms. Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: PSC Docket No. 11-330 – Delmarva Power & Light Company's
Energy Wise Rewards Residential Direct Load Control Program –
First Quarter 2015 Report

Dear Ms. Nickerson:

Enclosed for filing is Delmarva Power & Light Company's First Quarter 2015 Report in the above-referenced docket. This filing is being made in compliance with ordering Paragraph No. 4 of Order No. 8253 in Docket No. 11-330.

Should you have any questions, please feel free to contact me at the number referenced above or Heather Hall at (302) 454-4828.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Pamela J. Scott", is written over the typed name.

Pamela J. Scott

Enclosure

cc: Service List – Docket No. 11-330

DOCKET NO. 11-330

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Delmarva Power
New Residential Air Conditioner Cycling Program
Quarterly Performance Report
January – March 2015
Order No. 8253

Submitted by: Delmarva Power
On: April 30, 2015

Program Implementation Status

1. Program Authorization: The New Residential Air Conditioner Cycling Program was approved on December 18, 2012 by Order No. 8253.
2. Launch of the Program Website and Program: The website became operational on April 11, 2013. Customer Education materials and *Energy for Tomorrow* (EFT) conversion materials were created, produced and distributed to support the launch of the Program in early April of 2013.
3. Device Goal: Through the *Energy Wise Rewards* (EWR) Program, 57,090 devices were installed by Q1 2015, which exceeded the goal of 51,500 devices by 5,590. The Program will continue to recruit and install participants to maintain the “active device” number at or above the installed device goal of 51,500 devices. An active device is a device that is able to be cycled to reduce energy use. It is important to maintain the active device number at this level in order to support the demand reduction commitment to PJM. As of Q1 2015, the Program has 51,951 active devices.

Device Goals

- 19,600 installed devices in the Program by the end of 2013.
- 41,200 installed devices in the Program by the end of 2014.
- 51,500 installed devices in the Program by the end of 2015.

Enrollments and Installations

The recruitment of customers for the Program began in April 2013, with the installation of equipment following in short order as the customers enrolled and scheduled installation appointments.

The EFT-to-EWR conversion was the primary recruitment tool in 2013 and installations associated with this process were mostly complete by the end of Q1 2014. The Company also recruited customers through the joint Energy Wise Rewards and Peak Energy Savings Credit

program educational materials and advertising campaign advising customers of the “2 Ways to Save” energy and money.

The Company began door-to-door recruitment for Energy Wise Rewards participation in Q1 2014 in New Castle County and in Q3 2014 in Kent and Sussex counties. Out-bound calling began in all three counties – Kent, New Castle and Sussex in Q2 2014. These recruitment efforts were used in 2014, in conjunction with the joint Peak Energy Savings Credit awareness activities, to encourage customer participation.

In Q1 2015, door-to-door recruitment, outbound calling and emails were utilized to educate and encourage customers to participate in the program. These tactics will continue to be used until the joint customer education efforts with the Peak Energy Savings Credit launches in mid-Q2 2015. These recruitment tactics will be used in moderation to maintain the active device goal. The Program team will monitor the marketing expenses to keep the cost to a minimum.

The table below of monthly enrollments is provided in accordance with Delmarva Power’s response to Staff’s data request PSC-JCZ-7 in Docket No. 13-115, submitted on July 26, 2013. Enrollments signify a customer’s request to participate in the Program, as well as the non-opt-outs in the EFT-to-EWR conversion process.

Program Enrollments

Month	Customer EWR Enrollment Requests	EFT Conversion to EWR Enrollments*	Total EWR Enrollments
April-13	242	0	242
May-13	569	3,581	4,150
June-13	1,142	6,170	7,312
July-13	1,990	4,098	6,088
August-13	1,181	6,926	8,107
September-13	620	3,267	3,887
October-13	721	8,475	9,196
November-13	140	11,335	11,475
December-13	378	3,258	3,636
Total 2013	6,983	47,110	54,093
January-14	1,081	1,652	2,733
February-14	2,776	1,497	4,273
March-14	1,611	0	1,611
April-14	4,169	0	4,169
May-14	2,693	0	2,693
June-14	1,314	0	1,314
July-14	1,990	0	1,990
August-14	1,439	0	1,439
September-14	790	0	790
October-14	1,605	0	1,605
November-14	777	0	777
December-14	962	0	962
Total 2014	21,207	3,149	24,356
January-15	667	0	667
February-15	564	0	564
March-15	1,024	0	1,024
Total 2015	2,255	0	2,255
Total	30,445	50,259	80,704

* The EFT Conversion to EWR Enrollment process was completed in Q1 2014 and no additional enrollments into the EWR program will occur from this process.

The table below lists the actual installations to date and the original forecasted installations for the Program. The EWR Program has surpassed its program device goal by more than 5,500 devices. As stated on page 1 of the report, the Company will continue to conservatively recruit customers and install devices through the initial planned recruitment period of Q2 2015. This will allow the Program to obtain and maintain active participants to replace those who unenroll from the Program, which will support the PJM revenues. Through the end of Q1 2015, nine percent (9%) of participants have unenrolled, due to changes in the customer's lifestyle, the decision that they no longer wish to participate, or a lack of response to the EFT-to-EWR conversion notification and once they were installed they requested to be removed from the Program. As of March 31, 2015, 51,951 of the installed devices are active and able to be cycled to reduce energy use.

Installations

	Target	Actual
1Q 2013	-	-
2Q 2013	4,350	1,051
3Q 2013	7,650	9,667
4Q 2013	7,600	10,530
Total	19,600	21,248
1Q 2014	5,400	7,852
2Q 2014	5,400	9,811
3Q 2014	5,400	7,880
4Q 2014	5,400	6,194
Total	21,600	31,737
1Q 2015	5,400	4,105
Total	5,400	4,105
Program to Date	46,600	57,090

Customer Education/Awareness

1. Program and Customer Education Materials:

- The direct mail materials for EFT-to-EWR participant conversion began in April 2013 and continued through Q4 2013. Device installations for former EFT customers were generally completed in Q1 2014.

- The direct mail materials for the 2013 Peak Energy Savings Credit (PESC) and EWR joint customer education campaign began in June 2013 and concluded in September 2013.
- The 2013 PESC and EWR joint advertising campaign was conducted July through September 2013. The campaign used print ads, TV spots, radio spots and billboards throughout the state.
- The direct mail materials for the spring 2014 EWR recruitment were sent in March and April 2014. This recruitment effort was in conjunction with the PESC and EWR joint customer education campaign that occurred during the summer months.
- The 2014 PESC and EWR direct mail education and recruitment campaign began in June 2014 and was completed in September 2014.
- The 2014 PESC and EWR joint advertising campaign also began in June 2014 and concluded in August 2014. The campaign included web advertising, billboards, newspaper print ads, and bus transit shelter ads.
- The direct mail for the Fall EWR recruitment campaign began in October 2014 and concluded in November 2014.
- Door-to-door recruitments, outbound calls, and emails continued in Q1 2015.

2. The website was available for customer enrollments beginning in April 2013.

Program Cost Data

Table 1 below provides Program cost detail by quarter and Program to date.

Delmarva Power Delaware
Residential Air Conditioner Direct Load Control (DLC) Program
Quarterly Performance Report
Through March 2015

	O&M (Columns D, F, G, H)		Capital (Column B)		Marketing (Column C)		Customer Installation Credit (Subpart of Column E)		Customer Annual Incentives (Subpart of Column E)		Residential Demand Response Total (Column I)		Variance
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
1Q 2013	\$ 280,820	\$ 92,676	\$ -	\$ -	\$ 326,154	\$ 27,135	\$ -	\$ -	\$ -	\$ -	\$ 616,974	\$ 119,811	\$ (497,163)
2Q 2013	\$ 408,008	\$ 183,179	\$ 1,026,444	\$ 65,407	\$ 1,043,588	\$ 391,812	\$ 248,400	\$ 41,560	\$ -	\$ -	\$ 2,726,440	\$ 681,958	\$ (2,044,482)
3Q 2013	\$ 408,009	\$ 181,199	\$ 1,673,550	\$ 1,283,735	\$ 733,844	\$ 567,675	\$ 405,000	\$ 408,140	\$ -	\$ -	\$ 3,220,403	\$ 2,440,748	\$ (779,654)
4Q 2013	\$ 408,009	\$ 269,695	\$ 1,673,550	\$ 2,166,215	\$ 570,764	\$ 316,747	\$ 405,000	\$ 463,450	\$ -	\$ -	\$ 3,057,323	\$ 3,215,107	\$ (157,784)
2013 Totals	\$ 1,514,846	\$ 726,749	\$ 4,373,544	\$ 3,515,357	\$ 2,674,350	\$ 1,302,369	\$ 1,058,400	\$ 913,150	\$ -	\$ -	\$ 9,821,140	\$ 6,457,625	\$ (3,363,515)
1Q 2014	\$ 369,092	\$ 228,828	\$ 1,204,566	\$ 1,017,168	\$ 360,000	\$ 143,488	\$ 291,600	\$ 320,820	\$ -	\$ -	\$ 2,237,648	\$ 1,710,314	\$ (527,334)
2Q 2014	\$ 369,092	\$ 146,089	\$ 1,204,566	\$ 1,595,521	\$ 940,000	\$ 466,492	\$ 291,600	\$ 395,650	\$ -	\$ -	\$ 2,805,648	\$ 2,957,752	\$ (152,104)
3Q 2014	\$ 369,092	\$ 159,456	\$ 1,204,566	\$ 1,483,965	\$ 500,000	\$ 748,787	\$ 291,600	\$ 342,180	\$ -	\$ -	\$ 4,231	\$ 2,365,648	\$ 2,748,819
4Q 2014	\$ 369,091	\$ 228,872	\$ 1,204,566	\$ 1,034,228	\$ 360,000	\$ 646,623	\$ 291,600	\$ 257,300	\$ 85,000	\$ 6,978	\$ 2,310,647	\$ 2,176,101	\$ (134,546)
2014 Totals	\$ 1,476,367	\$ 763,345	\$ 4,819,824	\$ 5,504,882	\$ 2,160,000	\$ 2,007,400	\$ 1,166,400	\$ 1,305,950	\$ 97,000	\$ 11,209	\$ 9,718,591	\$ 9,592,786	\$ (125,805)
1Q 2015	\$ 446,778	\$ 165,792	\$ 766,114	\$ 660,113	\$ 171,667	\$ 285,557	\$ 185,400	\$ 220,111	\$ -	\$ -	\$ 1,568,959	\$ 1,341,573	\$ (227,386)
2Q 2015	\$ 446,778	\$ -	\$ 766,114	\$ -	\$ 343,333	\$ -	\$ 185,400	\$ -	\$ -	\$ -	\$ 1,741,625	\$ -	\$ (1,741,625)
3Q 2015	\$ 223,389	\$ -	\$ 383,057	\$ -	\$ 343,333	\$ -	\$ 92,700	\$ -	\$ 85,000	\$ -	\$ 1,042,479	\$ -	\$ (1,042,479)
4Q 2015	\$ 223,389	\$ -	\$ 383,057	\$ -	\$ 171,667	\$ -	\$ 92,700	\$ -	\$ 85,000	\$ -	\$ 955,813	\$ -	\$ (955,813)
2015 Totals	\$ 1,340,334	\$ 165,792	\$ 2,298,342	\$ 660,113	\$ 1,030,000	\$ 285,557	\$ 556,200	\$ 220,111	\$ 85,000	\$ -	\$ 5,308,876	\$ 1,341,573	\$ (3,968,303)
2016 Totals	\$ 556,084	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,084	\$ -	\$ (806,084)
Program Totals	\$ 4,887,631	\$ 1,655,886	\$ 11,491,710	\$ 9,580,352	\$ 6,114,350	\$ 3,605,326	\$ 2,781,000	\$ 2,439,211	\$ 182,000	\$ 11,209	\$ 25,456,691	\$ 17,391,994	\$ (8,064,697)

The Budget columns reflect the current projections of when costs will occur, based on the timing of the launch of the program.

The O&M column reflects the total of the Contracted Support, Program Administration, Maintenance Services, and Evaluation columns from the original filing.

The original Participant Credit column has been split into Customer Installation Credit and Customer Annual Incentives.

Customer Annual Incentives reflects credits to Third Party Supplier customers who did not participate in the Peak Energy Savings program, but did participate in Energy Wise Rewards. Customer Annual Incentives budget has been updated to align with the approved program budget. In the event that the number of customers with a Third Party Supplier increases the budget may need to be revised to support the change in customer base.

The Customer Annual Incentives that were budgeted in 2013 were moved to 2014.

Customer Annual Incentive payments are designed to be paid at the end of the season to EWR participants that have a Third Party Supplier as their electric provider.

In 2013 due to an information technology miscoding issue, the automated process did not occur. The issue has been resolved and the 2013 seasonal credits were applied to customers August/September bill cycle and the 2014 seasonal credits were applied in Q4 2014.

Revenues

PJM market earnings for EWR began accruing June 1, 2014. The total earnings for the reporting period of January 1, 2015 to March 31, 2015 were \$210,951. The program to date total earnings was \$724,650.